



● **Board of Directors**
Finance and Insurance Committee

5/12/2020 Board Meeting

9-4

Subject

Financing Overview for Bond Issuance

Executive Summary

California Senate Bill 450 (SB 450), enacted in 2017, requires public agencies to disclose certain estimated financial information, in a meeting open to the public, before authorizing the issuance of bonds with a term longer than 13 months. Metropolitan plans to issue approximately \$357,860,000 of Water Revenue Refunding Bonds, in early June 2020. This report provides the estimated financial information, in compliance with SB 450. Under SB 450, a governing body of a public agency must obtain and disclose good faith estimates of the financial information before authorizing the issuance of the Bonds.

Details

Background

In an effort to manage Metropolitan’s debt portfolio by refunding high coupon debt to take advantage of low interest rates, in addition to “de-risking”, by fixing out debt to reduce variable rate exposure, we are planning to issue approximately \$357,860,000 of Water Revenue Refunding Bonds, 2020 Series C. The 2020 Series C Bonds will refund approximately \$446,365,000 of outstanding water revenue bonds, for estimated net present value debt service savings of approximately \$61,300,000. The 2020 Series C Bonds are scheduled to be marketed in mid-June 2020.

The estimated financial information for the 2020 Series C are as follows:

True interest cost of the bonds	2.93%
Finance charge of the bonds	\$889,879
Total amount of proceeds received	\$447,277,898
Total debt service on the bonds	\$631,711,000

Policy

Required compliance with State of California legislation

Fiscal Impact

No financial impact. Required compliance with State legislation



Katano Kasaine
Assistant General Manager/
Chief Financial Officer

4/30/2020
Date



Jeffrey Lightlinger
General Manager

4/30/2020
Date

Ref# cfo12673449